

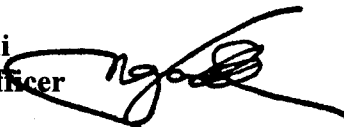
**Government of the District of Columbia  
Office of the Chief Financial Officer**



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** May 27, 2010

**SUBJECT:** Fiscal Impact Statement – “The Health Services Planning Program Re-establishment Act Emergency Amendment Act of 2001 Stoddard Baptist Home Foundation, Inc., Certificate of Need Exemption Emergency Act of 2010”

**REFERENCE:** Draft Legislation- No Bill Number Available

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**Conclusion**

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the provisions of the proposed legislation.

**Background**

The proposed legislation would amend the Health Services Planning Program Re-establishment Act of 1996<sup>1</sup> to exempt the Stoddard Baptist Home Foundation, Inc.(SBHF), with regards to its acquisition of the Washington Center for Aging Services (WCAS), from the Certificate of Need (CON)<sup>2</sup> requirements. SBHF is to lease WCAS from the District of Columbia Real Estate Services and the District of Columbia Office of Aging beginning July 21, 2010.

**Financial Plan Impact**

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the provisions of the proposed legislation. By exempting SBHF from the CON requirements, SBHF

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<sup>1</sup> Effective April 9, 1997 (D.C. Law 11-191; D.C. Official Code § 44-420).

<sup>2</sup> Certificates of Need allow health care providers to establish new services, make certain capital expenditures, or take certain other actions as specified in DC Law 11-191, the Health Services Planning Program Re-establishment Act of 1996, and the Certificate of Need Regulations (Title 22B, DC Municipal Regulations, Sec. 4000, *et seq.*). CON applications are reviewed by the District of Columbia State Health Planning and Development Agency , which is under the Department of Health.

would not be required to pay the CON application fee since there would be no application for the State Health Planning and Development Agency (SHPDA) to review. The application fee for SBHF is estimated to be approximately \$56,460,<sup>3</sup> which would have been deposited into the Department of Health State Health Planning and Development Fund ("Fund")<sup>4</sup> in FY 2010. SHPDA could absorb this loss within their existing budget without any negative impact.

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<sup>3</sup> The application fee is determined by SHPDA and equals 3 percent of the proposed capital expenditures, with a minimum payment of \$5,000 and a maximum payment of \$300,000. The estimated application fee is based on the assumption that the proposed capital expenditures would equal the assessed fair market rental value of WCAS.

<sup>4</sup> A non-lapsing fund into which all fees, civil fines, and interest relating to the SHPDA are deposited and credited. The Fund pays for the salaries and all other expenses of the SHPDA.